FUND FOR SOUTHERN COMMUNITIES

"Change not Charity"

GRANTEE PROGRESS REPORT

Date _____

Name of Organization _____

Address _____

Contact Person _____ Telephone _____

Fiscal Sponsor
(if required) _____

Address _____

Contact Person _____ Telephone _____

Grant Received: Date: _____ Amount: _____

_____

Program Progress

In the space below, and on the back, please describe your organization's progress towards achieving the goals/objectives for which the grant was made.

(OVER)

547 Ponce de Leon Avenue, NE • Suite 100 • Atlanta, Georgia 30308 • (404) 876-4147 • Fax (404) 876-3453
Member of the Funding Exchange and Georgia Shares

(more space for Program Progress)

Fiscal Report

Please give a financial breakdown of all grant expenditures (i.e. salaries, telephone, rent, legal fees, printing, mailing, etc.). List the expenditure category and amount.

Amount spent to date _____

Amount remaining from grant _____

Note: FSC always likes to have Black and White photos of grantee's work that we can use in publications. Please send any you can.

Fifteen Years Old! Can you believe it! It seems like just yesterday we started with determined enthusiasm to make a difference in the South. Some of the years have been tough, but we feel confident that we are now moving forward positively from the strong foundation you have helped to build. Activists and oppressed communities have been buoyed by the faith expressed through donations from donors like yourself over the years and have continued to overcome mountainous obstacles to social justice. **Change** is indeed a viable option in the South!

The generous contributions received from donors like yourself are used to provide funding for grassroots efforts in communities in Georgia, North Carolina, and South Carolina. The Fund for Southern Communities' donors and grantees become part of a network of southerners committed to fashioning a society where justice and democracy are woven into its fabric too tightly to easily unravel.

This past year the Fund has contributed to the success of the following organizations:

- The Charlotte Employment Project — homeless, underemployed, and unemployed workers now have a job bank and help to fight for their rights.
- The Penn Center on St. Helena Island, SC - the first school for freed slaves continues to research and preserve the Gullah heritage for future generations through educational programs and the annual "Heritage Days".
- The Atlanta Lambda Center - has now opened a community space for organizations, meetings, and events taking place in Atlanta's lesbian and gay community.
- Empty the Shelter, Atlanta, GA - provided meaningful summer internships, during the Summer of Social Action, which enabled students to learn organizing and advocacy skills in working with poor and homeless Atlantans displaced by Olympic planning.
- Sisterhood Agenda, Durham, NC - an African-American women's organization, has brought its agenda of self-development and empowerment of African-American women and girls through its workshops, seminars, and programs addressing social, cultural, and economic needs of women.

Current indicators suggest that this next century will unfold with much political and social chaos:

- Welfare reform and its impact on increased poverty in the South,
- The religious right's drive to dictate our rights to make decisions about our bodies and censorship,
- African-American church burnings with little sincere effort by the government to resolve this critical phenomenon.

Therefore, your continued financial support is needed to sustain the growth achieved in the first fifteen years and to set the trajectory for our aspirations into the next millennium.

Please, take a few moments to look through our annual report and then, send in your contribution today. **Donate today...to change tomorrow.**

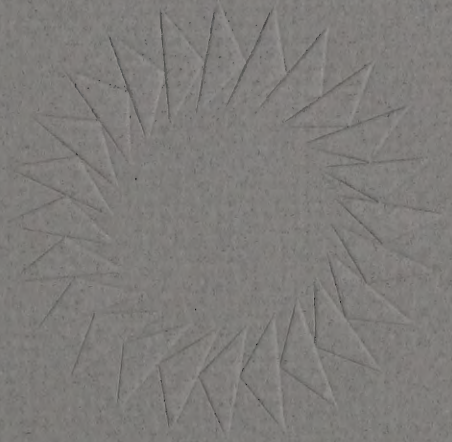
In Unity,

Veronica Primus-Thomas
Board Chair

Joan P. Garner
Executive Director

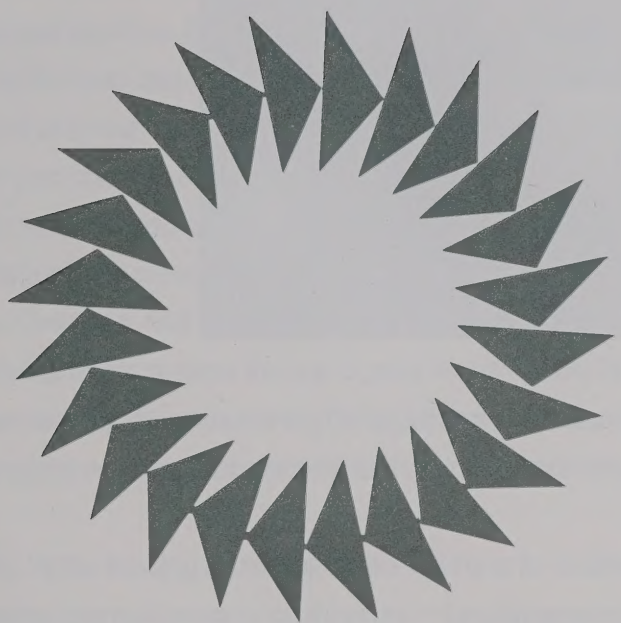
Fund for Southern Communities
546 Ponce de Leon Avenue, NE • Atlanta, Georgia 30308-1805 • 404.876.4147 • fax 878.3453

FUND FOR SOUTHERN COMMUNITIES



1995 - 1996
ANNUAL REPORT
15TH ANNIVERSARY EDITION

Abundant Grace Community Church • ACLU Foundation of Georgia, Inc. • Barbara Budd & Shirley Adams • Willie E. Adams • Kathrynn Adams & Robert Doolittle • AFLAC • AIDS Education Services for Minorities • Jane Harris Aiken • Cherokee Alexander • Helen H. Allison • Richard Edwards & Mary Altpeter • Cheryl Elaine Amana • Anonymous Contributors • Barbara Anthony Brown • Annie Archbold • Estelle Archibold • Danielle Armaleo • Astraea National Lesbian Foundation • Atlanta Feminist Women's Chorus • Timothy Haas & Dean Scott Attaway • William David Austin • Charles E. Baker • Dawn Baker • Bobbie Wren Banks & David Root • Peggy Barlett • Sandra K. Barnhill • Lee A. Barrett • Susan E. Barrett & Carol Aubin • Carol Bartlett • Nancy R. Bartlett • Leslie Gildmeister & Rick Bartram • Nancy Beasley & Marilyn Wagner • Lori Beaston • John G. Beckford • Coretta D. Bedsole • Sandra J. Beer • Marty Belin • Josephine Bett • John Bell & Judy Whisnant • Laura Benedict • Wendell & Jeanette Benson • Max B. Berking • Susan B. Berkowitz • Julia D. Bing • Barbara Birkhead • Jean D. Blackshear • Dr. Gloria Blackwell • Frank & Jane Blechman • Robert T. Bockman • Gene & Judith Bocknek • John H. Boddie • Boehm Foundation • Kathy Bogacz • Mitch & Linda Bollag • Betsy Dawson & Harold Bookman • M. Boren & D. Boatwright • Valerie Boyd • Lucy Bradley • George & Nomita Brady • Randy & Beth Brandes • Lynn & Steven Brazen • Tony Brewer & Jeff Dude • Sally Bridenstine • Alishia L. Bristow • Bettye D. Brooks • Larry & Margie Brooks • Robert Brown • Betty Brown & Margaret Dohrman • Catherine Fleming Bruce • Brushstrokes • Lucinda Bunnen • Melissa Bunnen • Paula Burgess • David & Carol Burnette • Edward Burrows • Cabarrus County CDC • Emily Calhoun • Cindia Cameron • Jodie A. Capell • Linda F.Capers • Guy and Candy Carawan • Lee Carter & Greg Bradley • Mathew Case • Anna Cassilly • Ellen Crozat Cassilly • Anne Cavett • Stephanie Caywood • Jane Seville and Saralyn Chesnut • Nancy S. Childs • Cheryl Chisholm • Cynthia Clayton • Kendrick & Linda Clements • Jeffrey M. Clemmons • Patricia & Richard Cliette • Frances Allison Close • CNN • Elizabeth K. Cochran • Thomas and Stephanie Coffin • David H. and Chris Cofrin • Edith Dee Cofrin • Jody Cole • Angela D. Coleman • Daniel Coleman • C. Perry Colwell • Combined Federal Campaign • William J. Cook • Curtis Coomes • Lynn Cothren • Lauren A. Cotton • Tyrone Y. Cox • Margaret W. Crawford • Crossroads Fund • Maureen D. Cullins • Frank and Carol Cummings • Rev. Barbara Cunningham • Nancy E. Curren • Kenneth George Dalsheimer & Marybeth Dugan • Elaine M. Damon • Jane Dasher • Stephanie Davis • William & Dorothy Davis • Margaret N. Deavours • John D. Delgado • Ruby S. Derbyshire • Flora B. Devine • David, Pat & Lindsay Dickerson • Disabled in Action • Canton & Virginia Dixon • David L. Dodson • Jamie Dollinger • Sally Dorn & Bill Ferguson • Don Doyle • Shirley Drechsel • Norma Driebe • Lucy & Rev. Phillip Dunford • Joyce Durand or Gregory Reinhardt • Martin Eakes • JoAnne & H. Shelton Earp, III • Cynthia East • Derek Economy & Ann Watter • Shirlee & Ben Edwards • Aleta Ellin • Sherry A. Emory • Jim Emshoff & Debi Starnes • Mary Rebecca England & Patricia Clymore • Mary & George Esser • Jean Evans • Todd Evans & Dorothy Craft • David Farren & Martha Pentecost • Angela Farris Watkins • Dina Fein • J. Pierce Fenhagen • Westy & Betsy Fenhagen • Sally Ferguson • Lorenne Fey • Gloria C. & Keir Kathleen Firmin • Marcia Fishman • James F. Flanagan • Bettie L. Flash • R.O. Flinn • Mary Margaret Flynn • Shirley Franklin • Alice Franklin & Dennis Hawk • Elizabeth Freeman • John P. Freeman • Amanda C. Gable • Robert E. Gaines • Dr. Paul Garber • Carter Garber & Marty Collier • Katherine Winston Garland • Joan P. Garner • Pat Garrett • William D. Gearing • John & Clarice Geckler • Warren Genett • Georgia Housing & Finance Authority • Georgia Power Company • Georgia Shares • Loris S. J. Gibbs • Dudley Gilmer • Jeanissa J. Ginn • Brook Glaefke • Libbey S. Goldberg • Dennis Goldstein • Mona F. Gottan • Good Work • Irene Goodale • Robert & Susie Goodman • Laura Gordon • Gillian Grable • Roslyn Grace • Leslie & Philip Graitcer • Grassroots Leadership, Inc. • William E. Graves • Heather Gray • Bill Gross • Joseph Groves & Ellen O'Brien • James D. Hadley • Lucy Haessler • Julie B. Hairston • Carolyn C. Hall • Joe Hall • Robert H. Hall & Jennifer E. Miller • Gregory K. Haller • Shirley Halorday • Sherrill Hampton • Harriet Hancock • Robin Hanes • Ronald P. Hanft • Anieth Hanna • Harry H. Harkins, Jr. • Anne Harper & Greg Nobles • Patricia Harris • Henry & Jean Harsch • Rebecca A. Hassell • Dan Hayes • Robert Jones Hayes • Will & Holly Hazleton • Geraldine R. Henderson • Douglas & Nancy Henderson-James • Sarah E. Herbert • Harvey & Emily Herman • Mary Ann Hicks • Highlander Research and Education Center • Freddye L. Hill • Warren Hills • David & Sharon Hoard • David H. Hobbs • J. Mack Holland • Phylis Holmen • Shirlene HoLmes • W. Jefferson Holt • Jung Pyo Hong & Eun Kyung Seo • Tera W. Hunter • Ilex, Inc. • Abbigail C. Illenberger • Lucy Daniels Inman • Institute for Southern Studies • Vanessa Jackson • Mr & Mrs. Joe Jacobs, Jr. • Romando James • Cindy Jenfsky • Kevin S. Jennings • Sandra D. Jennings • Karen & David Jessee • Jessie Smith Noyes Foundation • Elizabeth Ann Johnson • Harold and Margaret Johnson • Harriet Johnson • Amila Teh Jones • Ingrid Saunders Jones • Lyle M. Jones • Joyce Mertz Gilmore Foundation • Barbara Joye & Reid Jenkins • Henry S. Kahn & Mickey Gillmor • Christine M. Kane • Leah & Morris Karpen • ELizabeth B. & R. Melvin Keiser • Hugh & Catherine Kelley • Jane Kendall & Ran Coble • Susan & Max Ker-Seymer • Sheila Kerrigan & Steve Clark • Lou Jenkins & Brien Key • Young Kee Kim • Coretta Scott King • George King • Yolanda King • W.A.L. Kirchhofer • Gilda Klausner • William & Diane Knox • Heather S. Kodman • Frederick W. & Ingrid W. Kraus • Margaret Kulyk & Kim Frndak • James & Mary Kay Laird • Ron Lambe • Vance & Jutie Lanier • Adrienne Lanier Seward • Pamela J. Lannutti • Sandye Lark • Kurt Lauenstein & Sherry Dickstein • David & Mary Layton • Thomas & Lucy Leary • Nancy Lee



"Change, Not Charity"

"'I' can reach fulfillment without 'thou'. The self can not be self without ourselves. Self-concern without other-concern is like a tributary that has no outward flow to the ocean. Stagnant, still, and stale, it lacks both life and freshness."

Dr. Martin Luther King, Jr.
Where do we go from here: Chaos or Community?, (1967)

Executive Director's Message

The Fund for Southern Communities is pleased to present the 1995-1996 Annual Report. This year we celebrated fifteen years of supporting grassroots organizations working for progressive social change in Georgia, North Carolina and South Carolina.

First, let me thank the Board of Direct ors whose leadership, service and commitment to this organization help foster systemic change in the South. I want to thank the staff for their hard work and dedication: Sandye Lark, Executive Assistant and Jack Beckford, Program Officer, John Bell, Development Associate, completed five years of dedicated service to the Fund and we wish him success in his future endeavors.

More importantly, thanks to our many supporters for their vote of confidence. This past year the Fund awarded over $300,000 in general and Donor Advised grants. We depend on direct contributions from individuals and private foundations committed to making a meaningful difference in the world through social change.

In many respects this has been a year of transition. The Fund moved from its humble abode on Hill Street to newly renovated facilities in midtown Atlanta. This year, we completed the first of a three-year organizational development process, which was made possible through a grant from the Mary Reynolds Babcock Foundation. The board and staff have been engaged in re-examining the social change movement, assessing internal systems and technology, enhancing board development practices and exploring fundraising strategies for organizational stability.

'Change, not Charity,' is the Funding Exchange motto. The Fund for Southern Communities exemplified his practice by awarding special grants in honor of our 15 years of funding grassroots organizations in the south. Three groups: Georgia Coalition on Hunger of Atlanta, GA; Center for Community Change of Lumberton, NC; and Penn Center of St. Helena Island, SC, were each awarded $10,000 for their efforts to address social and economic justice issues in their communities.

As an active member of the Funding Exchange and the National Network of Grantmakers, the fund was able to develop partnership opportunities with a variety of Foundations that seek to promote a society that embraces justice and full democratic practices.

Fund for Southern Communities members, supporters, the board and the staff are all excited to be carrying on an experiment in philanthropy, 'Change, not Charity,' is now fifteen years old in the South and still growing.

Joan P. Garner
Executive Director

Letter from the Board Chairperson

Looking forward from our 15th anniversary of serving as catalyst for social change, our celebration is tempered by the recognition of greater challenges looming over the horizon. The coming year heralds the beginning of an era of reform in areas affecting America's most powerless, which is being orchestrated in the chambers of the most powerful. The fate of all of our children and the growing number of Americans living in poverty hangs vulnerable to these winds of change.

The working being done by the Board, Staff and supporters of the Fund of Southern Communities strengthens the resolve of freedom loving people both inside and outside of our region. We gain a sense of achievement from our involvement in national funding networks such as the Funding Exchange and the National Network of Grantmakers. Our initiative to raise support from African-American donors builds our capacity to carry out innovative fundraising campaigns and broaden our base of supporters. Participation by Board and Staff members in collaborative projects such as the Southern Rural Development Initiative has provided our organization with a wealth of knowledge and a line to the future.

Each of us has an important part to play in the upcoming years, whether it be that of a donor, board member, staff person or community activist. Much will be determined by how firmly we stand together on our journey toward a just society.

Rudy Williams
Chair 1995-96

BOARD OF DIRECTORS

Robert J. Brown
Atlanta, GA

Kevin Lynn Cothren
Atlanta, GA

Mary Beth Dugan
Durham, NC

Laura Gordon
Asheville, NC

Shirley Halorday
Bremen, GA

Mildred Meyers
Gasden, SC

Ron Nixon
Durham, NC

Millard (Mitty) Owens
Durham, NC

Jane Preyer
Chapel Hill, NC

Catherine Smith
West Columbia, SC

Veronica Primus-Thomas
Orangeburg, SC

Karen Watson
Sylvania, GA

Rudy Williams
Columbia, SC
Chair

Brenda Williamson
Raleigh, NC

FSC Staff

The Fund for Southern Communities (the Fund) was established as a tax-exempt public foundation in 1981 by a small group of individuals to fund issues and organizations left void by traditional charities and private foundations. This founding body held a common vision for the South: to build safe, equitable communities that are free of oppression and that embrace and celebrate all people. Today, the Fund distributes more than a quarter of a million dollars of donor money a year to organizations in Georgia, North Carolina and South Carolina who are making this vision a reality. Since 1981, the Fund has awarded over 1,100 grants totaling more than $2.2 million.

Making that possible takes a special core of staff personnel. The staff at the Fund dedicates countless hours to making this a successful community organization. They are Sandye Lark, Executive Assistant; Jack Beckford, Program Officer; and Andre Powell, Accountant. Last year's staff also included John Bell who was honored at the annual meeting for 5 his years of service. Without these people, the Fund could never participate in, and make a difference in, the lives of so many people within our communities.

Moving people from thought to action...

Founded in 1981, the Fund for Southern Communities is a community of concerned individuals joined together to provide financial support and technical assistance to grassroots organizations working for social and economic justice. Dependent on contributions from individuals, corporations and private foundations, the Fund is committed to making a meaningful difference in the world through social change. To date, the Fund has made over 1,100 grants totaling more than $2.2 million.

Through its fundraising and grant making programs, the Fund for Southern Communities is a responsible and effective link among individuals desiring to fund progressive endeavors and a broad range of community organizations who need their support.

The Fund provides financial resources to move people from thought to action. Without the vision of these people, the world would be a dark and empty shell, with help from the Fund, these people brighten and fill our communities with the arts, equality for all races and sexes and the opportunity for women and youth to empower themselves.

Not only does the Fund award approximately 50 grants per year ($500 to $5,000), the grantees become part of an important mentoring relationship, The Fund provides it's grantees assistance in organizational development, fundraising, financial management and public relations,

The Fund is a unique partnership that unities donors and community leaders who work for social change within a given f own or community. Rather than just treating the symptoms of oppression and injustice, the Fund seeks to find long-term solutions, The Fund is unique in that it awards grants to community organizations that are working to address the systems and structures that cause these problems.

Often, this means funding organizations and projects overlooked by traditional charities and private foundations because these projects are too new, too small, or too controversial, The Fund's willingness to take risks in making these grants is based on its belief that communities working on their own behalf are powerful forces for change. With the support and guidance of a financial institution such as the Fund for Southern Communities, our grantees are better able to accomplish their goals. This philosophy has served the Fund and ifs constituents well since our beginnings in 1981.

The Funding Exchange

The Funding Exchange Network of community funds throughout the country supports local progressive activism and advocates for greater social change funding in the larger philanthropic world. Each member fund is autonomous, with specific grantmaking priorities and guidelines.

Funding Exchange
Ellen Gurzinsky, Executive Director
666 Broadway #500 New York, NY 10012
212-529-5300

Member Funds

Appalachian Community Fund
423-523-5783
West Virginia & the Appalachian counties of Virginia, Kentucky & Tennessee

Bread & Roses Community Fund
215-731-1107
5 county region of Greater Philadelphia, PA and Camden, NJ

Chinook Fund
303-455-6905
Colorado

Crossroads Fund
312-227-7676
Chicago & Metro area

Fund for Southern Communities
404-876-4147
Georgia, North Carolina and South Carolina

Haymarket People's Fund
617-522-7676
New England

Headwaters Fund
612-879-0602
Minneapolis/St. Paul

Liberty Hill Foundation
310-458-1450
Los Angeles County

McKenzie River Gathering Foundation
541-485-2790
Oregon

North Star Fund
212-460-5511
New York City

Ellen Gurzinsky, Executive Director Funding Exchange

Vanguard Public Foundation
415-487-2111
San Francisco Bay area and Northern California

Wisconsin Community Fund
608-251-6834
Wisconsin

Associate Fund

The People's Fund
808-528-2441
Hawaii

Affiliate Funds

Three Rivers Community Fund
412-243-9250
Southwestern Pennsylvania 10 county region

Fund for Santa Barbara
805-962-9167
Santa Barbara County

The Fifteenth Anniversary Celebration & Annual Meeting

was held Saturday, July 13, 1996 at the Eno River Unitarian Universalist Fellowship in Durham, North Carolina. The meeting was attended by fundors, grantees, potential grantees, Fund members and representatives from the Funding Exchange.

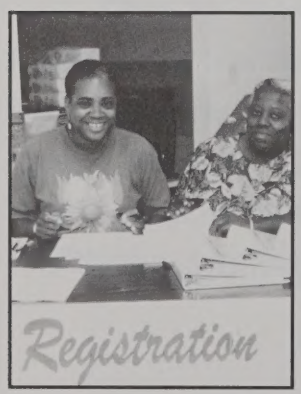
Several training sessions were sponsored by the Fund and attended by grassroots organizations and activists. The Fundors Panel was conducted by the Center for Community Change and hosted by Karen Watson of the Grants Committee, Jack Beckford of the Fund, who also served as moderator, Ellen Gurzinsky of The Funding Exchange, Mark Constantine of the Kathleen Price Bryan Family Fund and Polly Guthrie of the Triangle Community Foundation. The panel fielded questions about appropriate approaches to fundors, how to submit grant proposals, and common mistakes made by grantees when applying for grants.

At the membership meeting a new board member, Robert Brown, was elected to serve on the Board for the next term.

Prior to a dinner banquet, several grantees displayed information about their organizations at a Grantee/Donor reception. At the dinner banquet, Adora Dupree, singer and storyteller, entertained the crowd with several stories while accompanying herself on the drum. Participants delighted in several group participation songs led by Ms. Dupree.

Additionally, departing staff member, John Bell, the development associate in North Carolina was recognized for his outstanding and dedicated service to the Fund.

Later, three 15th Anniversary grants were presented to the **Center for Community Action** in Lumberton, North Carolina; **The Penn Center** on St. Helena Island, South Carolina; and the **Georgia Coalition on Hunger** in Atlanta, Georgia. Karen Watson, Grants Committee Chair made the presentation. Each of the grants were Board-selected and presented in the amount of $10,000 each, Criterion used to select these three special recipients followed the guidelines of the Fund for Southern Communities general grants and additionally:



- Organizations that reflect the Fund's commitment to a grassroots approach to empowerment of communities;
- With a demonstrated understanding of and commitment to coalition building across issue and contingency lines;
- With an established track record of effectiveness in their community; and;
- With a stable organizational leadership capable of future achievements.

15 Ways to Support The Fund in Our 15th Year

1. Write out a check today and mail it in.
2. If you are already a donor, consider increasing your last contribution by 20%.
3. Make a gift to one of our special funds such as Modjeska Simpkins, Southern Outlook, or Triangle Grassroots.
4. Ask your friends or family members to match your donation to the Fund.
5. Donate stock from an annoying company that doesn't meet your socially responsible criteria.
6. Include the Fund in your Will, life insurance, charitable trust or talk to use about other planned giving options.
7. Take advantage of employer gift-matching and automatically increase the size of your gift.
8. Honor a special person or occasion with a donation.
9. Set up a Donor Advised Fund to make donations in your specific area of interest.
10. Organize a house or office party for friends and co-workers to learn more about the Fund's work.
11. The next time you sell something, your car or house, give a percentage of the profits to the Fund.
12. Make a gift to our Emergency and Organizational Funds and help ensure the future of progressive social change in the South.
13. Donate via Georgia Shares, a workplace charitable contributions vehicle.
14. Volunteer to help us in the office or with fundraising.
15. Donate new computer equipment to our office.

How To Receive A Grant From the Fund

The Fund invites applications from organizations:

- working against discrimination based on race, gender, age, religion, economic status, sexual orientation, ethnic background, or physical and mental disabilities;
- struggling for the rights of workers;
- promoting self-determination in low-income and disenfranchised communities;
- protecting the environment and developing appropriate technologies;
- creating altemative arts and media;
- promoting peace and responsible U.S. foreign policy.

The Fund will:

- support projects that are unlikely to be funded by traditional funding sources;
- support projects in North Carolina, South Carolina and Georgia;
- support direct services only when tied to social change programs or when likely to empower the community served;
- provide seed grants to new projects, general support or project grants to small organizations, and grants to larger established organizations only for specific purposes.

FSC uses the National Network of Grantmakers Common Application form. Please call for an application and to discuss your proposal before applying.

memories. . .

AND HOW PLEASANT IT IS
WELL TOGETHER IN UNITY
552
Fund for
Southern
Communities
ATLANTA
9 to 5

Madison County
PLOWSHARES
Newsletter
Changing Shifts
workplace democracy and worker-ownership
Come A Long
Annual Worker-
BASIC ACCESS
TO EVERY NEW HOME
CONCRETE
CHANGE
CONCRETE
HOLD HOW GOOD AND HOW PLEASANT IT IS
BRETHREN TO DWELL TOGETHER IN UNITY

FISCAL 1996 GRANTS

DONOR ADVISED GRANTS

Blount Fund

Metropolitan Atlanta Commnunity Foundation
Lesbian/Gay Funding Initiative
Atlanta, GA $10,102

Community Empowerment Fund

East Jackson Economic Development Commission
Jackson, TN $1,000

National Black Women's Health Project
Atlanta, GA $750

Southern Empowerment Project
Maryville, TN $2,800

Total $4,550

Garber Fund

Clifton Presbyterian Church
Atlanta, GA $5,000

Federation of Southern Cooperatives
Atlanta, GA $2,000

National Congress of Neighborhood Women
New York, NY $2,500

Open Door Community
Atlanta, GA $1,500

Sunrise Ministries
Lake Junaluska, NC $12,000

Wisconsin Coordinating Council on Nicaragua
Madison, WI $2,000

Total $25,000

Love Fund

Archipelago
Chapel Hill, NC $5,000

Mississippi Justice Fund

Camp Sister Spirit
Ovett, MS $500

Phoenix Fund

Agape House Ministries
Atlanta, GA $200

Beulah Baptist Church
Atlanta, GA $6,000

Charles Capps Ministries
England, AR $100

Christian Business Men's Committee International
Chattanooga, TN $500

Derek Prince Ministries
Charlotte, NC $200

Kenneth Hagin Ministries
Tulsa, OK $100

Life In the World Ministries
Fenton, MO $100

Malcolm Smith Ministries
San Antonio, TX $100

Reaching Out to Senior Adults
Atlanta, GA $500

Trinity Broadcasting
Santa Ana, CA $5,000

Urban Alternative Ministries
Dallas, TX $100

World Changers Ministries
College Park, GA $100

Total $16,000

Progressive Fund

Cabarrus County Community Development Corp
Concord, NC $800

Citizens for Environmental Justice
Savannah, GA $500

Keysville Concerned Citizens
Keysville, GA $500

Positive Action Committee
Sylvania, GA $500

Sisterhood Agenda
Durham, NC $500

South Carolina Environmental Watch
Gadsden, SC $500

South Carolina Gay and Lesbian Pride Movement
Columbia, SC $500

South Carolina Women's Consortium
Columbia, SC $500

TellTale Theater
Marietta, GA $500

Total $4,800

Presente Fund

Atlanta Working Women - 9 to 5
Atlanta, GA $2,000

Cafe 458
Atlanta, GA $1,000

Clifton Presbyterian Church
Atlanta, GA $1,000

Fund for Southern Communities
Atlanta, GA $1,245

Georgia Justice Project
Atlanta, GA $1,000

Highlander Research and Education Center
New market, TN $1,000

New Hope House
Barnesville, GA $6,000

O'Hern House
Atlanta, GA $1,000

Open Door Community
Atlanta, GA $2,500

Prison & Jail Project
Americus, GA $6,000

Prison Ministries with Women
Decatur, GA $1,000

Southern Center for Human Rights
Atlanta, GA $20,000

Total $43,745

Stern Family Fund

Terry Cloth, Inc.
Decatur, GA $17,420

Umoja Unity Training Center
Decatur, GA $41,700

Total $59,120

Wildfair Fund

Fund for Southern Communities
Atlanta, GA $300

Witt Fund

North Carolina Occupational Safety and Health Project; Durham, NC $300

ORGANIZATIONAL DEVELOPMENT GRANTS

Aids Survival Project
Atlanta, GA $300

Alternate ROOTS
Atlanta, GA $500

Atlanta Lambda Center
Atlanta, GA $250

Empty the Shelters
Atlanta, GA $500

Newtown Florist Club
Gainesville, GA $300

Radio Free Georgia (WRFG)
Atlanta, GA $250

South Carolina Women's Consortium
Columbia, SC $250

Southerners on New Ground
Decatur, GA $500

Total $2,850

EMERGENCY GRANTS

Center for Democratic Renewal;
Atlanta, GA $500

SPONSORED PROJECTS

Atlanta Lambda Center; Atlanta, GA

Atlanta Stalking Victims Assistance; Atlanta, GA

Coastal Encounters; St. Simons Island, GA

Cobb Citizens Coalition; Marietta, GA

Eye on Women; Decatur, GA

Georgia Community Based Development Initiative; Atlanta, GA

Georgia Rural/Urban Summit; Decatur, GA

Georgians Against Nuclear Energy; Atlanta, GA

Lakewood Amphitheater Community Fund; Atlanta, GA

Safely Treating Our Pollution; Atlanta, GA

Sea Island People's Convention; St. Helena Island, SC

Youth Pride; Atlanta, GA

GRANTS ASSISTANCE PROGRAM

Sapelo's Legacy; Sapelo Island, GA

GENERAL GRANTS

Gay/Lesbian
(All grants in this area are from the Southern Outlook Fund.)

Alamance Gay and Lesbian Alliance;
Haw River, NC $3,000
AGALA documents hate crimes and homophobic incidents, maintains contacts and information to local media and provides guidance to local college groups while supporting a help center for sexual minorities to gather.

Atlanta Lambda Center; Atlanta, GA $2,500
The Center provides support for organizations by securing and sharing a meeting/office space.

Atlanta's Veteran's Alliance; Norcross, GA $4,500
AVA works on ending discrimination of gay, lesbian and bisexual veterans by supporting the development of subchapters at rural military bases in Georgia.

Cobb Citizens Coalition; Marietta, GA $890
CCC, founded after the infamous anti-gay resolution in Cobb County was passed, educates and increases the awareness of the public about gays and lesbians through mainstream radio stations.

Olympics Out of Cobb Coalition; Atlanta, GA $890
Also founded after the anti-gay resolution, OOCC successfully lobbied to keep the path of the Olympic Torch out of Cobb County.

South Carolina Gay and Lesbian Pride Movement;
Columbia, SC $4,000
Providing educational information, counseling and safe havens, this group has supported the "Outreach to Youth" project for gay, lesbian and bisexual youth.

Southerners on New Ground; Decatur, GA $2,500
SONG concentrates on organizing against homophobia, developing leadership and building alliances of Southern lesbigaytrans organizations.

We Are Family; Charleston, SC $2,000
A primarily straight group, this organization provides written materials to professionals in education, health care and churches to counter the negative points of view put forth by conservative groups regarding lesbian and gay people and issues.

Anti-Racism Work

Citizens United for Rural Empowerment; Keysville, GA $2,000
CURE's goal is to eliminate "tracking" -the separating of students by race and class - in Georgia's schools thereby ensuring equal educational opportunities for both African-American and low-income white students.

Positive Action Committee; Sylvania, GA $4,500
One of the primary projects of this group is The Rural Schools Anti-Racism Initiative/Excellence in Education Project which strives to eliminate racially biased academic tracking, ensuring equal education for all students.

South Carolina United Action; Orangeburg, SC $4,500
SCUA organizes low and moderate income African-Americans for political, economic and social power in their communities focusing on inadequate housing, sewer and water problems, police accountability and political under-representation for African-Americans.

Women's Rights

Sisterhood Agenda; Durham, NC $5,000
This group uplifts and aids in the self-development of African-American women and girls by publishing a bi-monthly newsletter, producing a weekly radio talk show and contributing editorials for local newspapers.

South Carolina Women's Consortium; Columbia, SC $2,000
SCWC brings women together across lines of race and class for the common purpose of empowerment, and securing leadership positions in their communities while supporting antiviolence against women and girls and self-defense training.

Worker's Rights

Charlotte Employment Project; Charlotte, NC $3,250
CEP organizes the voices of the unemployed, underemployed, contingent and homeless workers in Charlotte by running a foodbank and providing adequate job opportunities to get these workers back into the mainstream.

Youth

Leadership Initiative Project; Kittrell, NC $4,500
This project focuses on the development of African-American youth into community leaders who have the vision and collective power to improve the quality of life for themselves and young people throughout the South.

Youth Task Force; Atlanta, GA $2,000
YTF seeks to educate, train, mobilize and connect young people working to improve their communities. The Youth Task Force Speaker's Bureau is an initiative that provides more YTF trainers and expands the organization to five additional campuses.

GRANT AWARDS SPRING 1996

Culture/Media

Atlanta Gay and Lesbian Arts Festival; Atlanta, GA $1,000
This growing performance event stimulates artists and audiences to explore the political, psychological, sociological and sexual issues surrounding gayness.

Charlotte Gay and Lesbian Film Series; Charlotte, NC $3,000
CGLFS brings in filmmakers for public discussion during the presentation of the film series, which is designed to bring independent, new and important gay and lesbian filmmakers to the Charlotte area.

Out Charlotte; Charlotte, NC $3,000
This growing annual festival fosters awareness and appreciation of the lesbian/gay/trangender community through speakers, films, theater performances, comedians, booksignings, concerts, and exhibitions.

Think It's Not When It Is; Atlanta, GA $3,500
This theater company's efforts focus on combatting existing prejudices by educating the public on gay and lesbian issues and encouraging acceptance of diverse sexualities.

Community Organizing

Charlotte Organizing Project; Charlotte, NC $2,500
This multi-issue community organizing group will focus on voter registration, education and turnout among its low-income and African-American neighborhoods during this election year.

Operation Spring Plant; Oxford, NC $4,000
This minority farmer group works to support its members through agricultural demonstrations, market development and community oriented leadership development workshops designed to build a more skilled and knowledgeable group of farmers.

Scott's Branch 176 Foundation; Summerton, SC $3,000
Designed to develop leadership, energize voters, improve recreational and educational opportunities for youth, this organization promotes cultural awareness and pride in the community.

Constituency Organizing

Allanza Hispana/Hispanic Alliance;
Smithfield, NC $5,000
This alliance helps promote and secure the rights of Hispanic people in Johnson County and educates the public around policies and issues of importance to immigrants.

Disability Rights

American Disabled for Attendant Programs Today;
Decatur, GA $3,500
This group of Disability Rights leaders provides non-violence training, education and consciousness raising for emerging activists seeking just policies for people with disabilities.

Environment

Taylor Co. Environmental Task Force;
Butler, GA $4,500
Due to long term lack of equal representation, this African-American group is now struggling against a wastewater facility planned for the black side of this segregated town without the knowledge of the affected community.

Lesbian/Gay

Gay and Lesbian Alliance Against Defamation;
Atlanta, GA $2,000
This alliance, as part of a national organization, works to promote fair, accurate and inclusive representation of lesbian and gay issues in print and broadcast media.

Gay, Lesbian and Straight Teachers Network;
New York, NY $3,500
The Network supports Southeast-based organizations to build local chapters of educators and community people to counter the destructive effects of homophobia within the educational system.

North Carolina Lesbian and Gay Pride;
Winston Salem, NC $2,000
NCLGP supports the "Moving Toward Healing: Bridging Issues of Race, Class, Gender and Sexual Orientation" workshops during NC's Pride weekend.

Parents and Friends of Lesbians and Gays/Metro South; Atlanta, GA $2,000
This south Atlanta group is working to fight homophobia by building more understanding and tolerance within local schools and churches.

Native American

Recognized First Nations Advocacy Group;
Augusta, GA $3,000
This group advocates Native American rights, environmental protection and refurbishing, education on the history, culture and present status of Native Americans as a way of increasing attention to the issues of this population.

Anti-Racism

Telfair County Warriors for Justice; Helena, GA$3,000
A grassroots group battling several manifestations of long-term racism in Middle Georgia; primarily police discrimination and abuse and environmental injustice.

Resources for Organizing

Project South; Atlanta, GA $2,500
This research group documents poverty and its effects throughout Georgia, and has implemented the Olympics Initiative - which documented the history of the social, political and economic impact of the Olympics on previous host cities as well as Atlanta.

Women

Women's Resource Center; Greensboro, NC $2,500
By sponsoring the Peer Advocate Program, the Center promotes the growth, productivity and well-being of all women through counseling, education and referral to other resources.

Youth

Empty the Shelters; Atlanta, GA $3,000
ETS provides training and organizing experience for students placed to work with local antipoverty and homeless organizing groups.

Infiltrate the Enemy Camp; Summerville, SC $3,000
By working with low income youth in four public housing and low income communities, this group provides life-skills and leadership training for youth.

Kids-On-Line; Forest Park, GA $2,500
An emerging group, KOL provides computer literacy, job skills training, job placement assistance and life skills training for low income youth preparing to enter the workforce.

Newtown Florist Club; Gainesville, GA $2,500
This forty-four year old African-American women's organization addresses civil rights, voting rights, environmental racism while emphasizing cultural pride.

Taxpayer's Advocacy and Support Coalition;
Hardeeville, SC $2,500
This youth program addresses political and environmental awareness while encouraging sound educational and healthy personal development in youth ranging from 4 to 19 years of age.

1996 HELEN'S FUND AWARDS

Freddie Hendrick's Youth Ensemble of Atlanta;
Atlanta, GA $4,000
In recognition of outstanding work writing, producing and performing youth oriented theatrical productions, addressing hardhitting social issues, transforming both the youth involved in the production and the audiences viewing these performances.

Cool Girls, Atlanta, GA $2,000
In recognition of exemplary work with young women around issues of self-esteem, life-skills, pregnancy prevention, conflict resolution training and cultural awareness in the East Lake Meadows neighborhood.

Serious Teens Acting Responsibly;
Hardeeville, SC $2,000
In recognition of successfully being the model for a growing network of similar STAR groups working with youth to promote positive youth development through programs to involve the community and youth in efforts around self-esteem building, good health and nutrition, educational success, leadership training and community involvement.

GRANT AWARDS FALL 1995

Culture and Media

TellTale Theater; Marietta, GA $2,000
The Theater presents plays about self esteem, respect, drugs, safety, and the environment to "at risk" youth.

Community Organizing

Cabarrus County Community Development Corporation; Concord, NC $2,000
Through counseling and organizing strategies, this African-American controlled CDC confronts barriers in housing, jobs, education, and economic development, striving for cultural diversity, and increased communication.

Keysville Concerned Citizens; Keysville, GA $2,000
This group seeks to increase the community's economic base through a more job/carrier trained populace assisting youth and adults to earn a high school diploma or GED.

Lowcountry Council on African-American Political Studies; Charleston, SC $2,250
LOCAAPS promotes greater participation in political and public policy issues among African-Americans through the distribution of a quarterly newsletter.

Constituency Organizing

National Farmworker Ministry;
North Carolina Project $2,500
NFWM works to build a community, church and farmworker alliance that aids farm workers to achieve justice and equality.

Environment

Citizens for Environmental Justice;
Savannah, GA $2,000
This group focuses on increasing the involvement of African-Americans in Georgia and South Carolina around issues of industrial poisoning, pollution and the movement of nuclear materials.

South Carolina Environmental Watch;
Gadsden, SC $5,000
This minority led organization informs locals about the effects of environmental policies and actions at local, state and federal levels of government.

Southern Organizing Committee for Economic and Social Justice; Atlanta, GA $2,000
This diverse group works to combat racism, economic injustice and environment inequity with a goal of building an environmental movement in the South by assisting communities fighting against placements of hazardous facilities.

Woolfolk Citizens Response Group;
Ft. Valley, GA $5,000
A grassroots effort around central Georgia's certified Woolfolk "Superfund" site to protect the community during the clean-up process.

There is a balm in Gilead

Five velvety voices weave in and around each other. Melodies emerge and the chorus is joyfully plaited. And then the voices are silent. The power that is woman raises a voice. *There is a balm in Gilead that makes the spirit whole.* The words are those for a troubled time, our time; and the voices are those of Sweet Honey In The Rock - Bernice Johnson Reagon, Ysaye Maria Barnwell, Aisha Kahlil, Nitanju Bolade Casel and Carol Maillard.

Sweet Honey In The Rock revives music that celebrates the faith and fortitude of African Americans enduring centuries of slavery and will expand and clarify modern notions of sanctity and right action. Their plaited voices bring you to tears, steal your breath, and lift you to shout. They will spirit you through your worst days, honor your moments of contentment and joy, and buoy your commitment to make a better way.

Each year, Sweet Honey In The Rock generously participates in our annual fundraiser at Spelman College. In 1996, the group gave two fabulous concerts and a workshop which was open to the public conducted by the individual members of Sweet Honey. At this annual event, the Fund for Southern Communities takes the opportunity to present a Torchbearer Award. This award honors one forward-thinking individual for their accomplishments in human rights, civil rights, and/or environmental rights during the previous year. The first recipient was Bernice Johnson Reagon of Sweet Honey. This year's recipient was the Reverend C.T. Vivian, founder of the Center for Democratic Renewal in Atlanta, Georgia. The Center has been on the forefront in the battle against racism and bigotry in the South and across the nation for fifteen years with much of it's focus on investigating the Klan and neo-nazi organizations.

Like Reverend Vivian and so many other participants in the Fund, these five women have the fortitude to speak bravely to the issues of our times, bearing crucial messages which very few have the moral courage to articulate with such honesty and clarity. They establish a heart-to-heart contact with every single member of the audience and move them to walk in the light of freedom and decency and integrity. Join the celebration!

Sisters in the Chapel

Johnnetta Betsch Cole, began her life within a family deeply rooted in the African American culture. Her family's business, the Afro-American Life Insurance Company, fertilized the seedlings of her desire to discover how African cultures affect the way black people move through, and contribute to, American culture. She studied at Fisk University, Oberlin College, and Northwestem University observing, documenting and writing about African cultures.

Many of Dr. Cole's most notable contributions are born of the notion that by educating ourselves, we can ferret out, understand and develop solutions to the myriad of problems rooted in racial and sexual inequality. As President of Spelman College, her hopes for her students were that they not only enjoy successful professional lives, but that they also lead America in it's quest for answers to critical social issues such as racism, homelessness and sexism.

Founded in 1881 as the Atlanta Baptist Female Seminary by two ladies bent on educating black women and girls who were just out of slavery, the school began with eleven students, a hundred dollars, a Bible, a pad and pencil and was housed in the basement of Friendship Baptist Church. Much later the school became Spelman College, named after John D. Rockefeller's mother-in-law. Today Spelman has a $135 million endowment and receives nearly 4,000 applications for 450 freshman spaces. Dr. Cole has made it her mission to educate her young ladies not only in the fine arts, social sciences and natural sciences, but also in social, civil and environmental empowerment and justice.

In support of those causes, Spelman's "Sister President", as she is affectionately known, has been an ardent supporter of the Fund for Southern Communities' traditional gala benefit concert at Spelman's Sister's Chapel featuring Sweet Honey In The Rock. The benefit raises money for the Fund for Southern Communities' grant programs and serve to bring positive recognition to the Fund. Her support, along with that of the body of Spelman College, has been invaluable, her spirit an inspiration and her knowledge a key to our future.

Helena, a small rural farming community located in middle Georgia, has historically been one of the state's most controversial political hot spots. By the spring of 1995, in the City of Helena, Telfair County, racial tensions had reached a boiling point. Police corruption, voter fraud and vicious, hate-filled treatment of African-Americans are factors that keep Telfair County in the spotlight.

For forty years, African-Americans have moved in and through the community passively, accepting existing conditions in order to preserve peaceful relations with the powers that be. In the late 1970's, city officials purchased property in the heart of the Center Avenue community - a historically black neighborhood - to build a waste water treatment plant. No one protested because city officials convinced them that they were doing the right thing.

In addition to the waste water treatment plant inequity, residents had been talking quietly among themselves for years about the police brutality directed against young African-American men in the community. Answering the civilian unrest, in 1995 the Helena Police Department hired it's first African-American police officer since the establishment of the municipality. Less than sixty days later, he was terminated amidst allegations of racist and unfair treatment by the police chief. This single event sparked the largest community mobilization by African-Americans in the city's history.

In July of the same year, African-American residents gathered together in a neighborhood backyard for the first of many community meetings. Born of this social awareness was the Telfair County Warriors for Justice. The group is comprised of African-Americans of all ages and from all walks of life.

Within the first two months of their existence, the Warriors held two Justice Marches. The marches protested the firing of the police officer as well as the environmental contamination created by the sewage treatment plant. Six months later, the group had negotiated an agreement with the city to relocate the sewage treatment facility and diversify their police force.

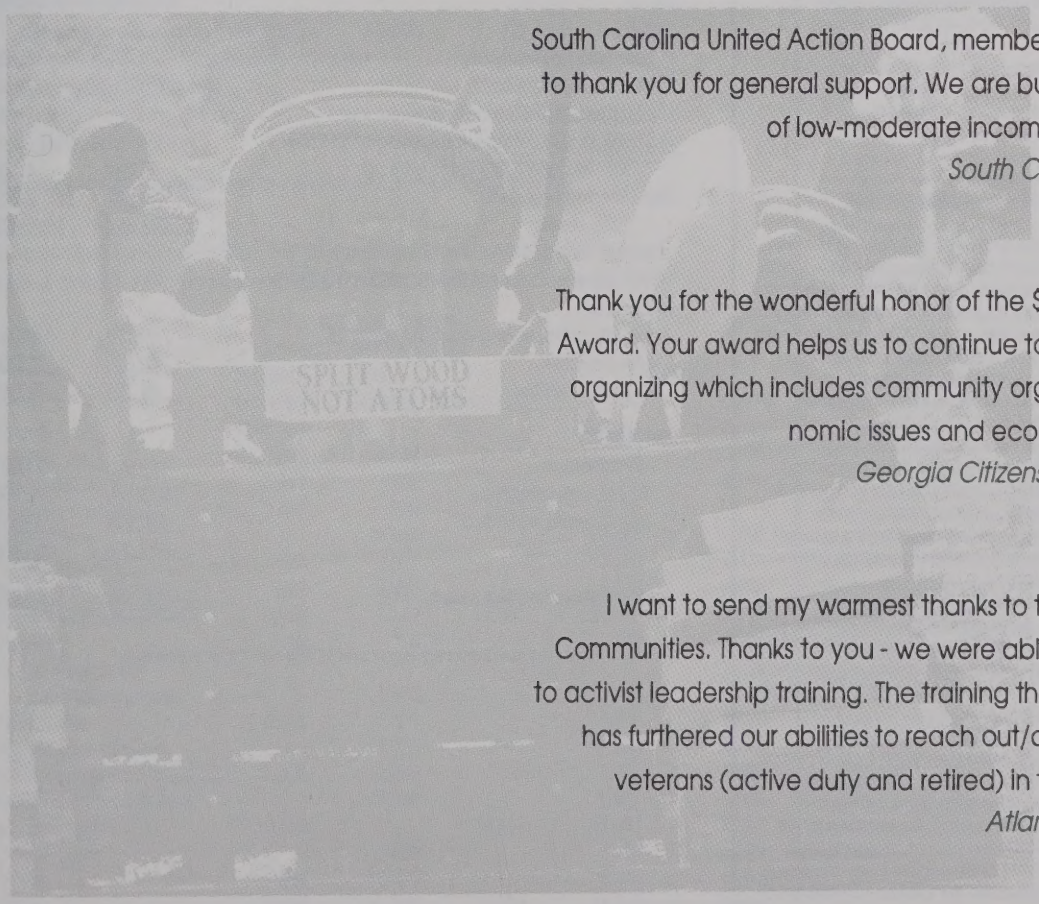
After identifying two major areas, recreation and tutoring, the Warriors have worked with the city of Helena on a grant application for monies to create a neighborhood park located in a historically black neighborhood. Warriors for Justice has also formed an after-school tutoring program that addresses the academic needs of local African-American youth housed in the annex of a local church. Presently, the group is renovating an old motel in Helena to use as a community resource center where their offices will be housed, the tutoring program will be conducted and will allow for the expansion of additional projects.

Telfair County Warriors for Justice has organized an entire community around the issues which have been important for many years and given these concerns a voice. Through their struggles, they have learned how to effectively organize a community and empower its people for positive change.

"With a start-up grant from the Fund for Southern Communities, Charlotte Employment Project has started organizing issues of downsizing" and the growth of temporary work. Thanks for helping us get started in Charlotte, NC.
Charlotte Employment Project

Thanks to the Fund for Southern Communities, FLAG METRO SOUTH/ Atlanta was able to video-tape "What the Bible Really Says About Homosexuality" by Daniel Melminiak, Ph.D. The 20 tapes we received are being loaned/given to churches, libraries, colleges, PLAG Regional Directors, ect. to fight bigotry, prejudice and ignorance.
PLAG METRO SOUTH

Thank you for all your support! You have truly assisted us in our mission to uplift and aid in the self-development of African American women and girls.
Sisterhood Agenda



South Carolina United Action Board, member and staff would like to thank you for general support. We are building a membership of low-moderate income African Americans.
South Carolina United Action

Thank you for the wonderful honor of the $10,000 Special Grant Award. Your award helps us to continue to do transformational organizing which includes community organizing around economic issues and economic development.
Georgia Citizens Coalition on Hunger

I want to send my warmest thanks to the Fund for Southern Communities. Thanks to you - we were able to send our officers to activist leadership training. The training that we have received has furthered our abilities to reach out/assist gay and lesbian veterans (active duty and retired) in the State of Georgia.
Atlanta Veterans Alliance

Independent Auditor's Report

We have audited the accompanying statements of assets, liabilities and net assets of **FUND FOR SOUTHERN COMMUNITIES, INC.**, ("FSC") (a Georgia not-for-profit corporation) as of June 30, 1996 and 1995 and the related statements of financial activity and cash flows for the years then ended. These financial statements are the responsibility of FSC's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of **FUND FOR SOUTHERN COMMUNITIES, INC.** as of June 30, 1996 and 1995 and the results of its financial activity and cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note 2 to the financial statements, FSC adopted the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 116, Accounting for Contributions Received and Contributions Made and No. 117, Financial Statements of Not-for-Profit Organizations, in 1996. The provisions of these standards have been retroactively applied to the 1995 financial statements.

The supplementary information, as listed in the accompanying table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

September 23, 1996
Wesle-Peachtree Group
Certified Public Accountants

Fund for Southern Communities, Inc.
Notes to the financial statements June 30, 1996 and 1995

1. **Description of the organization:** The Fund For Southern Communities, Inc. (FSC) is a Georgia nonprofit corporation organized in March 1981 to: (1) maintain a charitable fund committed to the betterment of all people; (2) initiate and carry out projects to improve relationships among individuals, races, cultures and creeds; (3) improve the health, education and welfare of the poor and disadvantaged and (4) promote and create harmony and goodwill among nations.

2. Summary of significant accounting policies and other matters:

Basis of Accounting- The financial statements of FSC have been prepared on the accrual basis of accounting. The accounts of FSC are maintained in accordance with the principles of fund accounting whereby resources are classified into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund. For external financial reporting purposes, the funds and accounts have been converted to conform with the basis of presentation described below.

Basis of Presentation- In 1996, FSC adopted the Statement of Financial Accounting Standards No. 116, Accountingfor Contributions Received and Contributions Made (SFAS No. 116). The most significant provisions of SFAS No. 116 are the recognition and capitalization of collections in the financial statements. As of June 30, 1996 and 1995, there were no significant outstanding pledges for contributions.

In 1996, FSC also adopted the Statement of Financial Accounting Standards No. 117, Financial Statements for Not-For-Profit Organizations. SFAS No. 117 requires a change in the display of financial statements from those based on fund accounting to a display based on the concept of "net assets". The provisions of the new standard have been applied to the accompanying financial statements. Under SFAS No. 117, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of

Fund for Southern Communities: **Statement of Cash Flows for the years ended June 30,1996 and 1995**

	1996	1995
Cash flows from operating activities:		
Change in net assets	$298,734	$115,004
Adjustments to reconcile		
to net cash provided by operating activities:		
Depreciation	3,859	2,528
Pledges & accounts receivable	(5,834)	-
Deposits and prepaids	(1,969)	2,353
Accounts payable and accrued expenses	(764)	(1,943)
Grants payable	18,500	8,000
Net cash provided by operating activities	312,526	125,942
Cash flows from investing activities:		
Purchase of furniture & equipment	(15,219)	(4,043)
Net cash used in investing activities	(15,219)	(4,043)
Net increase in cash and investments	297,307	121,899
Cash and investments, beginning of year	677,178	555,279
Cash and investments, end of year	$974,485	$677,178

Note: There were no payments for interest during the year 1996 or 1995.

The accompanying notes are an integral part of these financial statements.

Fund for Southern Communities, Inc.: **Statement of Assets, Liabilities and Fund Balances June 30, 1996 and1995**

	1996	1995
ASSETS		
Cash and investments	$ 974,485	$ 677,178
Accounts receivable	5,834	-
Furniture, fixtures and equipment, net		
of accumulated depreciation of $33,639		
for 1996 and $33,970 for 1995	17,534	6,174
Deposits and prepaids	4,041	2,072
Total Assets	$1,001,894	$685,424
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued liabilities	$9,298	$10,062
Grants payable	40,500	22,000
Total Liabilities	49,798	32,062
NET ASSETS:		
Unrestricted	39,024	27,037
Temporarily restricted	573,640	292,650
Permanently restricted	339,432	333,675
Total net assets	952,096	653,362
Total Liabilities and Net Assets	$1,001,894	$685,424

The accompanying notes are an integral part of these financial statements.

Fund for Southern Communities, Inc.: **Statement of Financial Activity for the years ended June 30,1996 and 1995**

	1996	1995
Changes in unrestricted net assets:		
REVENUE AND SUPPORT:		
Contributions	$217,027	$190,657
Special events	46,256	65,376
Foundation grants	129,000	94,325
Funding exchange endowment income	33,212	33,000
Investment income	12,192	9,802
Administrative fees	27,237	18,284
Miscellaneous income	1,532	761
Merchandise sales	128	15
In-kind Contributions	7,995	-
	474,579	412,220
Net assets released from restrictions	333,319	259,651
Total unrestricted revenue and support	807,898	671,871
EXPENSES AND LOSSES:		
Grants and Program Services	621,001	502,184
Management and General	82,915	76,656
Development	89,327	59,842
Total expenses and losses	793,243	638,682
Increase in unrestricted net assets	14,655	33,189
Changes in temporarily restricted net assets:		
Board designated funds	8,425	19,052
Donor advised funds	454,169	149,276
Sponsored projects funds	135,931	142,505
Net assets released ftom restrictions	(320,203)	(246,882)
Increase in temporarily restricted net assets	278,322	63,951
Changes in permanently restricted net assets:		
Endowment gifts and appreciation	5,757	17,864
Investment income	13,116	12,769
Net assets released from restrictions	(13,116)	(12,769)
Increase in permanently restricted net assets	5,757	17,864
Total increase in net assets	298,734	115,004
Net assets, beginning of year	653,362	538,358
Net assets, end of year	$952,096	$653,362

The accompanying notes are an integral part of these financial statements.

Fund for Southern Communities, Inc.: **State of Functional Expenitures for the year ended June 30, 1996 (with comparative totals for the year ended June 30, 1995)**

	Support Services				
	Grants and Program Services	Management and General	Development	Total Funds 1996	Total Funds 1995
Grants	$503,261	$ -	$ -	$503,261	384,490
Salaries	80,693	9,258	27,775	117,726	111,790
Payroll taxes	6,299	702	2,143	9,144	14,195
Employee welfare	2,517	514	1,010	4,041	-
Occupancy	-	18,464	-	18,464	11,298
Office supplies	576	2,647	-	3,223	2,419
Postage & Shipping	542	2,852	-	3,394	4,795
Printing & Publications	4,748	2,112	17,833	24,693	11,910
Copying	265	8	-	273	2,166
Office equipment and maintenance	-	1,863	-	1,863	710
Telephone	3,516	5,889	-	9,405	8,676
Professional services	-	17,026	-	17,026	13,700
Conferences and meetings	1,106	2,086	-	3,192	5,328
Dues and subscriptions	-	2,847	-	2,847	1,965
Special events	12,568	-	34,463	47,031	46,083
Depreciation	-	3,859	-	3,859	2,529
Travel	2, 654	2,429	-	5,083	4,694
Other	2,256	10,359	6,103	18,718	11,934
Total Expenditures	$621,001	$82,915	$89,327	$793,243	$638,682

donor-imposed restrictions. Accordingly, net assets of FSC and changes therein are classified and reported as follows:
• *Unrestricted net assets*- Net assets that are not subject to donor-imposed stipulations.
• *Temporarily restricted net assets*- Net assets subject to donor-imposed stipulations that may or will be met either by actions of FSC and/or the passage of time.
• *Permanently restricted net assets*- Net assets subject to donor-imposed stipulations that they be maintained permanently by FSC. Generally, the donors of these assets permit FSC to use all or part of the income earned on related investments for general or specific purposes.
The provisions of SFAS No. 117 have been retroactively applied to the 1995 financial statements.
Reclassifications- Certain expenses have been reclassified to conform with the current year presentation in the accompanying Statement of Activities.
Donated Services- Several individuals volunteer time without compensation to FSC. Because FSC does not have an objective basis for measuring the value of these services, such services have not been recorded in the accompanying financial statements.
Concentration of Credit Risk- Substantially all of FSC's cash is maintainted in one financial institution and balances are in excess of federal government insurance limits.
Property and Equipment - Property and Equipment are recorded at cost and are depreciated over the estimated useful lives of the related assets using the straight-line method. Donated property and equipment are recorded at fair market value on the date of donation.
Federal and State Income Taxes - FSC is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended. In the opinion of management, FSC has continued to operate as a tax exempt organization under Section 501(c)(3). Accordingly, no provisions for Federal and State income taxes have been recorded in the accompanying financial statements.
Cash and Investments - Cash and investments consists primarily of demand deposit accounts, money market funds, stocks and bonds recorded at market value. Cost approximates market value.
Donor-Advised Funds - Included in the net temporarily restricted fund are donor-advised funds representing grants, bequests and contributions from private organizations and individuals. Donor-advised funds require the fulfillment of certain conditions as set forth in the related instruments. The Board of Directors, however, has the ultimate decision to change such conditions as they relate to the purpose of FSC.
Administrative Fee - FSC charges an administrative fee for handling all donor-advised finds and sponsored projects.
3. **Operating lease:** FSC leases office space under an operating lease agreement expiring in January 1998. The total lease expense incurred was $10,800 and $9,600, in 1996 and 1995, respectively.
4. **Contingency and Commitments:** Grants, bequests and endowments often require the fulfillment of certain conditions as set forth in the terms of the related instrument. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the return of funds is a possibility, the Board of Directors deems the contingency unlikely, since by accepting the gifts FSC has agreed to comply with the grantor's provisions.
5. **Effect of current economic conditions and contributions:** FSC depends heavily on contributions and grants for its revenue. The ability of certain FSC contributors and grantors to continue giving amounts comparable with current levels may be dependent upon current and future overall economic conditions and the continued deduct-ibility for income tax purposes of contributions and grants to the FSC. While FSC's Board of Directors believes the organization has the resources to continue its programs, its ability to do so and the extent to which it continues, may be dependent on the above factors.
6. **Related parties:** Several board members are members of organizations that receive grants from FSC. It is FSC's policy that such persons shall not provide unsolicited information about the applicant to those making the grants decisions nor lobby for making a grant to the applicant. That person shall not vote on that proposal during the decision-making process.

& Rodney Grainger • Melvyn & Phyllis Leffler • Melinda Eve Lehrer • Daniel Levitas • Myrtle Lewin • Lighting & Production Equipment • Lillie Allen & Kate Lillis • Arthur M. & Anne M. Lindsay • Josephine & Steve Lindsley • Mary & Robin Line • Nina Lorch • Marian Lord • Warren Loseke • Walter J. Lowe & Barbara Deconcini • Joe L. Lucero • Melanie M. Lui • Janet Lutz • Chris Lutz • J.T. Lyman • Sophia S. Lyman • Jean O. Lyons • Bruce & Gretchen MacLachlan • Dr. John D. MacLeod, Jr • Ann M. Maletic • Micheline Matson • Stuart Mangel & Rebecca Gurk • Randal Mangham • Sherrill Marcus • R.W. & Leah Margerison • Peter Mariolis • Monica H. Mason • Anna Matheson • Margie Matthews • Susan & Dan May • William & Jerry McAninch • Marcus S. McCluney, Sr. • Mary M. McCormick • Myra E. McCoy CPA • Eula McGill • Maggie McGlynn • Jennifer McGovern & Steven Unruhe • Alan McGregor • Carol Reilly McGriff • Charles W. McKinney • Renee D. McKinney • Lilly & George McNair-Roberts • Elaine R. 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